

Decision (PROPOSED DECISION OF ALJ KIM (Mailed 10-21-14)**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Southern California Edison Company (U338E) for Approval of its 2012-2014 California Alternate Rates for Energy (CARE) and Energy Savings Assistance Programs and Budgets.

Application 11-05-017  
(Filed May 16, 2011)

And Related Matters.

Application 11-05-018  
Application 11-05-019  
Application 11-05-020

**DECISION ADOPTING CORRECTED ATTACHMENT Q  
TO DECISION 14-08-030****Summary**

This decision adopts the corrected Attachment Q to Decision 14-08-030 (Guidance Document for the Energy Savings Assistance (ESA) and California Alternate Rates for Energy (CARE) Programs and Budgets Application for the 2015-2017 Program Years).

**1. Background**

In Decision (D.) 14-08-030,<sup>1</sup> the Commission adopted, *inter alia*, Attachment Q to that decision -- Guidance Document for the Energy Savings Assistance (ESA) and California Alternate Rates for Energy (CARE) Programs and Budgets Application for the 2015-2017 Program Years (PYs). Specifically, the Ordering Paragraph (OP) 60 of that decision directs Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas & Electric Company (IOUs) to prepare their 2015-2017 ESA and CARE Programs and Budgets applications by using the framework and templates, set forth and attached to that decision as Attachment Q, as part of their next cycle applications and to complete each section as instructed, including all of the contents required therein.

**2. Discussion**

Since the issuance of D.14-08-030, a few inadvertent errors on Attachment Q to that decision have been discovered. Therefore, the attached Corrected Attachment Q, Appendix A to this decision, has been prepared to address those errors and to ensure the IOUs have clear direction in the Corrected Attachment Q in their preparation of the next cycle applications.

The majority of the corrections are minor and non-substantive clerical errors on page or section numbering, formatting or titling of templates. Two substantive corrections are as follows:

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<sup>1</sup> Phase II Decision on the Large Investor-Owned Utilities' 2012 2014 Energy Savings Assistance (ESA) Program and California Alternate Rates for Energy (CARE) Program Applications, issued on August 20, 2014 in these proceedings.

First, footnote 1 has been added to Section II-C-3 and at the end of subsection (m)(6) “Exceptions Specific to Multifamily” and now reads:

- <sup>1</sup> As discussed in the decision, the IOUs, in their 2015-2017 Applications for ESA and CARE Programs and Budgets, may propose specific exemptions to the rule that housing subsidies should not be counted as income, with factual and legal justifications, demonstrating compelling reasons as to why a particular or specific category(ies) of housing subsidies should be excluded from this rule and instead be counted as income. The compelling reasons must include demonstration that the particular or specific category(ies) of housing subsidies are being received by households that do not meet the 200 percent federal poverty guideline, income requirement for the ESA and CARE Programs.

The following paragraph was added to the start of Section III-E-7 “Leveraging with California Department of Community Services and Development (CSD)”:

Consistent with the directives of D.12-08-044, Ordering Paragraphs 24, 25 and 26, the IOUs’ leveraging proposal(s) for the 2015-2017 program cycle shall incorporate the IOUs’ plans with the California Department of Community Services and Development (CSD) to (a) continue and improve upon the efforts to develop and implement an effective leveraging plan between the ESA Program and CSD; (b) continue and improve upon their current efforts of utilizing dual providers for ESA and CSD in program delivery, where feasible; and (c) continue and improve upon their current efforts toward refining the data sharing activities with CSD’s Low Income Home Energy Assistance Program (LIHEAP)/Weatherization Assistance Program (WAP), etc.

The last two substantive corrections were revisions which should have been presented and adopted as part of the Commission's adoption of D.14-08-030 but had inadvertently been omitted during the clerical revision process.

### **3. Comments on Proposed Decision**

The proposed decision of the Administrative Law Judge (ALJ) in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. SDG&E and SoCalGas filed in their joint comment to the PD noting that one additional minor correction should be made to the Attachment Q, to delete references to submission of potential 3-months, 6-months, 9-months and 12-months bridge funding estimates. SDG&E and SoCalGas are correct. The need for such submission is moot since the Commission adopted the bridge funding for 2015. Such correction has been made to the attached Corrected Attachment Q, the Guidance Document.

CforAT was the only other party to have filed any comment to the PD seeking adoption of additional and specific directions concerning the Low Income Needs Assessment beyond those set forth in D.14-08-030 and the Corrected Attachment Q. We disagree.

### **4. Assignment of Proceeding**

Catherine J.K. Sandoval is the assigned Commissioner and Kimberly H. Kim is the assigned ALJ in this proceeding.

### **Findings of Fact**

1. In D.14-08-030, the Commission, in part, adopted Attachment Q to that decision (Guidance Document for the ESA and CARE Programs and Budgets Application for the 2015-2017 PYs).

2. Since the issuance of D.14-08-030, a few inadvertent errors on Attachment Q to that decision have been discovered.

3. The majority of the corrections are minor and non-substantive clerical errors on page or section numbering, formatting or titling of templates, and the two substantive corrections involve revisions which should have been presented and adopted as part of the Commission's adoption of D.14-08-030 but had inadvertently been omitted during the clerical revision process.

### **Conclusions of Law**

1. The attached Corrected Attachment Q to D.14-08-030 reasonably addresses the errors and provides the necessary clarity in directions to the IOUs in their preparation of the next cycle applications.

2. The Attached Corrected Attachment Q to D.14-08-030 should be adopted.

3. These proceedings should be closed.

## **O R D E R**

### **IT IS ORDERED** that:

1. The corrected Attachment Q (Guidance Document for the Energy Savings Assistance (ESA) and California Alternate Rates for Energy (CARE) Programs and Budgets Application for the 2015-2017 Program Years (PYs)) to Decision 14-08-030 is adopted and is attached to this decision as Appendix A.

2. Attachment Q (Guidance Document for the Energy Savings Assistance (ESA) and California Alternate Rates for Energy (CARE) Programs and Budgets Application for the 2015-2017 Program Years (PYs)) to Decision 14-08-030 is modified and is superseded by the attached Corrected Attachment Q, Appendix A to this decision.

3. Application (A.) 11-05-017, A.11-05-018, A.11-05-019, and A.11-05-020 are closed.

This order is effective today.

Dated \_\_\_\_\_, at San Francisco, California.

## **APPENDIX A**

# **Corrected Attachment Q to Decision 14-08-030**

## **Corrected Attachment Q to Decision 14-08-030**

### **GUIDANCE DOCUMENT FOR THE ENERGY SAVINGS ASSISTANCE (ESA) AND CALIFORNIA ALTERNATE RATES FOR ENERGY (CARE) PROGRAMS AND BUDGETS APPLICATION FOR THE 2015-2017 PROGRAM YEARS (PYs)**

#### **I. SUMMARY AND OVERVIEW OF THE ESA AND CARE PROGRAMS AND BUDGETS APPLICATION FOR THE 2015-2017 PYs**

In the Summary and Overview sections of the applications, the investor-owned utilities (IOUs) must provide a brief descriptive introduction of the ESA and CARE Programs and a summary of the utility's requests, including proposals and budgets associated with the 2015-2017 cycle applications and an overview of the service area. The IOUs may also include any further information that is relevant for consideration in their respective budget applications. The framework and guidelines outlined below must be followed as closely as possible to allow for ease of application review and analysis.

#### **II. ESA PROGRAM AND BUDGETS APPLICATION FOR THE 2015-2017 PYs**

##### **A. ESA PROGRAM BACKGROUND**

In the ESA Program Background section of the application, the IOUs must:

- 1. History:** Provide a brief history of the ESA Program and how it helps low-income customers, how it is funded and how the program has changed over the years, including any prior guidance given by the Commission.



**2. Summary:** Provide a description of the ESA Program, including descriptions of (i) the legal framework of the ESA Program, (ii) the ESA Program Eligibility Guidelines, and (iii) the eligible population.

**3. Current Proposal:**

- a) Explain how your current proposal has changed from that in prior years, including any proposed new ESA Program measures or other activities.
- b) Based on your review of all of the previous budget cycle study findings and working group recommendations, are there any new measures, strategies or best practices that could be considered for inclusion in this program that could benefit California's low-income customers?
- c) In early 2014, Governor Brown declared a state of emergency due to the drought and directed state officials to take all necessary actions to prepare for these drought conditions. We note that several of California's Native American tribes have declared a drought emergency including the Hoopa Valley Tribe, the Yurok Tribe, and the Yocha Dehe Wintun Nation. Each utility's proposal shall consider the water-energy nexus and propose measures and ways to prioritize the cost-effective ESA measures that also save water and contribute to alleviating the drought emergency.
- d) Explain how you coordinated and consulted with water utilities, water districts, water agencies, government offices, Native American tribes, community-based organizations and non-profits, and water experts including the Commission and the Commission's water-energy nexus proceeding(s) to identify potential water-energy nexus measures and analyze their cost effectiveness. Take into account the potential to

forestall use of high energy water sources such as desalinization in analyzing cost effectiveness.

**B. ESA PROGRAM GOALS AND BUDGETS FOR THE 2015, 2016 AND 2017 PYs**

In the ESA Program Goals section of the application, the IOUs must:

- 1. Strategic Plan:** Identify the Strategic Plan Vision, Goals and Strategies for the ESA Program.
- 2. Participation Goals:** Propose specific ESA Program participation goals for 2015-2017 (number of homes treated and weatherized). Provide the estimated number of eligible and willing households.
- 3. Willingness to Participate (WTP):** Specify all WTP factors being used by your utility, in addition to other factors taken into consideration (e.g., CSD treated homes, the modified 3 Measure Minimum (Modified 3MM) Rule limitations and non-feasibility based on historical tracking data, etc.) in proposing the homes treated goals for the next ESA program cycle. The 2013 Low Income Needs Assessment (LINA) reports varying WTP estimates (anywhere from 52%-72%) based on the pool of respondents and various sources. This estimate is also dependent on unidentified barriers to participation in the ESA Program.
- 4. Response to Barriers to Participation:** Identify how your utility has addressed barriers to participation, including WTP related issues, and attempted to serve those customers that have been unwilling to participate. Indicate why those efforts have been successful or not successful.
- 5. 2002-2013 Homes Treated Data:** Provide actual or estimated participation data and the number of homes treated or weatherized compared against the benchmarks, if any, established by the Commission for the period 2002 to 2013.

- 6. Unique Factors:** Discuss unique issues in your utility's service area that would make 100 percent penetration challenging and also discuss homes projected but not reached in the 2012-2013 PYs.
- 7. Estimated Energy Savings:** Provide a chart of estimated energy savings in kilowatt hour (kWh) or Therms from years 2015 to 2017.

In the ESA Program Budgets section of the application, the IOUs must:

- 1. Strategies:** Present a detailed discussion that clearly identifies specific strategies and programs for the budget years 2015-2017, including proposed budget strategies, aimed at accomplishing the ESA Program programmatic initiative. In light of Governor Brown's declaration of a state of emergency due to the drought, and other drought emergency declarations, also present any strategies incorporating the Governor's directive and other drought directives, and ways to prioritize the cost-effective ESA measures that also save water and could contribute to alleviating the drought emergency.
- 2. Actual 2012 and 2013 Expenditures:** Provide your utility's actual expenditures, along with approved budgets, from 2012 and 2013 by line item, consistent with the Accounting and Reporting Requirements previously distributed by the Energy Division. Costs must be shown on an annual basis; and the 2014 approved budget must also be included.
- 3. Carry-over Funds:** Discuss carry-over funds from the 2012-2014 budget cycle. Explain why the carry-over funds exist.

## **C. PROGRAM DELIVERY**

### **1. Program Design**

In the ESA Program Design section of the application, the IOUs must:

- a) Proposal(s): Describe any specific proposed requests to enhance the ESA Program during the 2015-2017 program years, including budget and proposed program design modifications based on Phase II Studies and/or Working Groups' Reports findings and recommendations, and also describe any requests, including budgets and proposed program designs, aimed at furthering your strategies concerning the Governor's drought emergency directive, and other drought declarations and directives, and ways to prioritize the cost-effective ESA measures that also save water and could contribute to alleviating the drought emergency.
- b) Approach and Design: Describe how the utility intends to approach and design its ESA Program during the 2015-2017 program years. Discuss past program accomplishments and obstacles with regard to program implementation.
- c) Complaint History: Describe your utility's history of any customer complaints or concerns.
- d) Program Delivery: Describe your utility's use of CBOs, private contractors, third parties, etc.;
- e) Portfolio composition: Describe your utility's mix of measures and proposed new measures. Include potential alternatives to mitigate challenges faced by single fuel utilities, such as customer reliance on natural gas or propane or similar barriers to ESA Program participation; and
- f) Leveraging: Describe your utility's coordination activities with other utility programs and other entities to increase efficiency and ensure eligible homes are afforded an opportunity to participate in the ESA Program.

## **2. Marketing, Education and Outreach**

In the ESA Program Marketing, Education and Outreach section of the application, the IOUs must include discussions of each of the following subject areas:

- a) Renters: Discuss program marketing and outreach improvements that will assist with easier enrollment for renters, particularly those living in Single Family homes that have identified barriers with enrollment such as landlord approvals and completed Property Owner Waivers.
- b) Rural Population: Identify specific underserved rural areas (by ZIP code or county, tribal area, or other appropriate area considering climate and population) in your utility's service area. Discuss what new strategies your utility will employ to better target and enroll those households in the ESA Program. Also, identify the strategies to be carried out in each county, zip code, tribal area, or identified area, if they vary. Consider coordination with California and Federal LifeLine providers offering service in those areas, tribal Governments, local governments, CBOs, and others when developing your marketing and outreach strategies.
- c) High Poverty Areas (income less than 100% of federal poverty guidelines): Identify the very high poverty areas within your service territory that have low rates of participation in the ESA Program (by ZIP code or county, tribal area, or other identified area), and discuss what new

strategies your utility will employ to increase ESA Program participation. Consider coordination with California and Federal LifeLine providers offering service in those areas, with CBOs, consultation with tribal Governments, and with local government agencies in those areas, when developing your marketing and outreach strategies.

- d) Transiency in the Low -Income Population: As outlined in the Multifamily Segment Study and echoed in other studies, a large component of California's low-income population is transient, particularly those low-income Californians residing in multifamily housing. Discuss what systems your utility can use to flag and follow past ESA Program participants as they relocate, if they remain income eligible.
- e) Non-Transient CARE Population and ESA Program Participation: While a high transiency rate is observed for part of the low-income population, Commission staff has analyzed CARE program data that indicates that a large proportion of enrolled CARE customers have lived at their current address (and same energy meter/account) for over four years and have never participated in the ESA Program. What is your utility's plan to ensure that this specific CARE customer segment participates in the ESA Program to both reduce their energy burden, energy consumption, and their subsequent CARE subsidy impact?

- f) Brand Identity: The 2013 Low Income Needs Assessment study reported that few customers knew of the ESA Program by its name or acronym, whereas there is much more widespread awareness of the CARE Program. This lack of ESA Program name recognition was true even of those customers who had participated previously or had recently had contact with the program. The study makes the recommendations to link ESA marketing consistently with existing outreach efforts for CARE whenever that is not already done and establish a clearer identity and brand for the ESA Program. Describe your utility's response to these two recommendations and propose how these two recommendations could best be implemented amongst the four IOUs, at a minimum employing the examples provided in the study.

In the ESA Program Marketing, Education and Outreach section of the application, the IOUs must also:

- a) Plans for Improving Enrollment: Describe all current and suggested Marketing, Education and Outreach methods, including all efforts to coordinate with California and federal LifeLine providers in the utility's service territory and any water utilities and water districts in the utility's service territory, CBO, tribal Government, and local government and business partnerships to improve ESA enrollment, and include the estimated costs.
- b) Coordination Between the ESA and Lifeline Programs: D.14-01-036 allows low-income customers to receive subsidized wireless service through the California Lifeline Program. In what ways can this new opportunity be leveraged to market the ESA Program, improve outreach to



enroll eligible households, and enhance existing PEV and re-certification processes during the upcoming 2015-2017 program cycle and beyond? Be specific in your response to the above and include opportunities for data sharing to support inter-program coordination. In particular, address how smart phones can be used to facilitate customer education/outreach, and income verification.

- c) Plans for Meeting Participation Goals: Discuss how Marketing, Education and Outreach efforts will result in meeting program participation goals including any specific population sectors or segments.
- d) 2012-2014 Actual Expenditures and Per Household Cost: For each of the program years from 2012 to 2014, provide a comparison of the budgeted, recorded or estimated average Marketing, Education and Outreach cost per household treated.
- e) Effectiveness: Discuss the effectiveness of your utility's local Marketing, Education and Outreach methods within your service territory and what has been your past experience regarding the success of these methods.
- f) Statewide Marketing Education and Outreach: Discuss alternatives to minimize redundancy and better leverage local and statewide Marketing, Education and Outreach efforts including approved initiatives and/or funding in the general energy efficiency docket, Rulemaking (R.) 09-11-014.

### **3. ESA Program Implementation**

In the ESA Program Implementation section of the application, the IOUs must include discussions of each of the following subject areas:

- a) Reduce the number of visits to a home for measure implementation: One of the barriers identified by the 2013 Low Income Needs Assessment (LINA) study was that the number of visits to a home deterred households from enrolling. Discuss how your utility



will continue to refine its implementation strategies to reduce the number of visits so that households that refuse to enroll due to difficulties being home for subsequent visits may participate in greater numbers.

- b) Priorities for treatment: One of the recommendations provided by the 2013 LINA study was to explore the tradeoffs associated with screening customers based on energy usage, energy burden, and health, comfort and safety criteria to determine priorities for treatment and/or tailor ESA Program services to the home. Based on the demographics and characteristics of those customers exhibiting the highest energy burden and insecurity, discuss how your utility will prioritize this segment of the low-income population to ensure that they are targeted and enrolled into the program, and how their homes will be treated, if differently from other low-income homes. In light of the drought emergency declared in 2014 and uncertainties about future water supplies in California, and in light of the energy intense nature of certain water supplies (e.g. desalination which may be used in some areas if other supplies are not available in sufficient quantities), discuss how your utility will prioritize delivery of the ESA measures to save water or enable water savings.
- c) Overlapping Service territories: Discuss how your utility will ensure that in the IOUs' overlapping service areas (especially SCE and SoCalGas), customers are screened for both IOUs' measures efficiently to increase the number of customers that pass the Modified 3MM rule and to provide comprehensive treatment.
- d) In Home Energy Education: Phase 1 Report of the Energy Education Study revealed opportunities for standardization and improvement to the existing ESA Program energy education materials. What specific enhancements and improvements are planned to encourage customer behavior changes toward gaining greater energy efficiency and conservation in low-

income households and to improve their awareness of energy efficiency and conservation practices?

- e) Modified Materials: Describe all modified materials to improve customer engagement, recollection and subsequent use (e.g., guidebooks, energy wheel, calendars, website or internet-based materials, phone apps, etc.), including materials that are customized with applicable and tailored content to certain household demographics including households with multiple members, small children, teenagers, seniors, persons with disabilities, non- English dominant speakers, etc.
- f) Post ESA-treatment Follow-up: Describe all post ESA treatment follow-up activities including all mail-back or web-based survey, texts, apps, calls or other forms of periodic communications that are being considered for the upcoming program cycle.
- g) Training and Materials: Describe plans for standardization of training and materials across all four of the IOUs' service areas.
- h) Compliance Surveys: Describe plans for augmentation of your utility's existing compliance surveys and In-Home Inspections to ascertain the quality of the Energy Education information provided.
- i) Comparative Home Energy Usage Reports/Residential Behavior-Based Energy Efficiency for Low -Income Customers: Home Energy Usage Reports provide customers with a comparison of their energy usage to that of their neighbors in similar-sized households. Customers who use more than their neighbors receive reports that reveal their relative higher usage patterns for the month and recommendations to lower their energy usage. Customers who use less energy than their neighbors receive reports that include positive messages to encourage continued "good behavior." *The 2013 Evaluation of Pacific Gas and Electric Company's Home Energy Report Initiative for the 2010–2012 Program*

verified energy savings claims from PG&E's piloting of Comparative Usage Reports. Describe plans, if any, for implementing either the same or similar Residential Behavior-Based Energy Efficiency efforts to ESA Program eligible customers, separately or as part of the subsequent phase of the Energy Education Study (Phase 2).

- j) Multifamily Sector: Describe all updated program designs and marketing approaches for Multifamily Households, including an extended discussion of (1) how your utility proposes to implement the recommendations of Multifamily Segment Study adopted in the Phase II decision in this proceeding and (2) how your utility proposes to coordinate or integrate with non-low-income energy efficiency programs. Indicate how these updated design(s) and marketing approaches address the ESA program goals and strategies. Indicate how these updated design(s) and marketing approaches for Multifamily Households address the dual objectives of serving all ESA Program eligible and willing households and delivering energy efficiency measures cost-effectively. Address all of the topics listed below:
- (1) D.12-08-044 directed the IOUs to implement Multifamily Segment Strategy 3 - an updated marketing approach to treating this sector. Discuss how your utility implemented this strategy in the last program cycle.
  - (2) A primary finding of the Multifamily Segment Study suggests that the ESA Program employ a marketing strategy component that targets the owners and operators of multifamily properties with low-income residents and to align this new messaging to communicate the benefits of building upgrades from an investment perspective. Discuss what specific changes your utility will be making to the ESA Program's existing marketing and outreach efforts in light of these recommendations.

- (3) The Multifamily Segment Study recommends that the IOUs develop a system to receive notices about low-income multifamily buildings planning a recapitalization event through the Low Income Housing Tax Credit (LIHTC) administered by the State Treasurer's office and conduct targeted, in-person outreach to these identified properties and owners. Discuss how your utility plans to target low-income multifamily properties and their owners with outreach and marketing at identified "trigger-points" (i.e. scheduled or ongoing building recapitalization, renovation, or refinancing events) and what this targeted outreach will entail.
- (4) Discuss how your utility plans to leverage relationships with lenders and other banking institutions, Local, state, and federal government institutions, tribes, non-profits and others including trade associations to identify, and target outreach to market-rate low-income multifamily property owners initiating or undergoing a recapitalization, renovation, or refinancing event, and whose buildings may house low-income households.
- (5) Discuss all new approaches your utility plans to utilize to improve the quality of data collected (i.e., building vintage data via county assessor and recorder information, historical/future permitting data via county building inspection data, US Department of Agricultural Rural Development housing data, tribal or Bureau of Indian Affairs Data, local, state, and federal, and CBO data, etc.). Discuss how your utility plans to utilize these data to target potential ESA Program eligible multifamily properties and their owners. Discuss how your utility plans to leverage existing relationships and data sharing agreements with mainstream energy efficiency funded, local government partnerships to acquire the data and insight to help target low-income multifamily properties and residents for ESA Program

participation. Indicate what third party data are available, and how your utility will use these data to augment your current customer database(s) to help identify low-income multifamily properties and residents eligible for ESA Program participation.

- (6) Discuss how your utility's ESA Program multifamily offerings will utilize benchmarking for marketing, education, outreach and other program delivery efforts. Discuss whether EPA's Portfolio Manager benchmarking tool could fulfill the benchmarking needs for the ESA Program's participating multifamily properties. Provide an analysis of the costs and benefits of requiring mandatory whole-building benchmarking for multifamily property participation in the ESA Program.
- (7) The Multifamily Segment Study recommends revisiting ESA Program policy on expanding the variances under which a low-income building qualifies for relaxed income verification requirements for the program. The study also provides a method by which to determine the viability and potential costs and benefits of implementing this recommendation. Indicate which, if any, ESA Program policy and procedure changes your utility requests in regards to allowing documentation that certifies a building for identified income-based subsidy programs (e.g., Section 8, deed-restricted, HUD, TCAC, HCD or USDA) and serve as qualification to enroll tenants in the ESA Program. Using the study consultant's outlined methods, discuss the viability and potential costs and benefits of implementing this recommendation.
- (8) 80:20 Rule: Discuss how your utility proposes to implement a change to the ESA Program policy and procedures that would lower the level of

verification from 80% of a multifamily building's tenants being income qualified to treat unoccupied units and the building shell and other energy systems, to some lower level of verification. Based on historical participant data and measure installation costs, describe what your utility projects as the resulting impact(s) of instituting this rule change in your utility's service territory.

- (9) Single Point of Contact: D.12-08-044 directed the IOUs to implement a single point of contact to coordinate the varying IOUs' programs for the multifamily segment. For program year 2013, discuss what level of ESA Program funding, staff time, or other resources supported IOUs' compliance with this directive. Discuss your utility's lessons learned from implementing a single point of contact and how they are reflected or otherwise incorporated in any updated program delivery design.
- (10) For the 2015-2017 cycle, specify the level of funding, staff time, or other resources the ESA Program will dedicate to continuing the single point of contact effort.
- (11) The Multifamily Segment Study findings indicate that for low-income multifamily properties, there is less opportunity for owners to increase rents to cover the costs of energy efficient upgrades, making energy efficient retrofits more costly and less likely. Describe how your utility plans to coordinate the ESA Program funding with the Energy Upgrade California Multifamily (EUC-MF) or Multi-Family Energy Efficiency Rebate (MFEER) programs for low-income buildings or with energy efficiency upgrades associated with other utility energy efficiency, energy procurement or demand response strategies. Discuss all funding options your utility is considering (including coordinated funding and



no funding) or whether your utility is considering leveraging other program funding or private funding, energy procurement or demand response strategies, or carbon compliance offset/credit strategies. An example may be, but is not limited to, a per-unit adder, based on the number of verified low-income tenant units, from the ESA Program, to the EUC-MF or MFEER programs.

(12) Multifamily Measure Offerings: Discuss if your utility will be proposing to offer common area lighting measures and/or other “new” measures to eligible and willing multifamily properties via the ESA Program? If so, discuss whether there is precedent or justification for a mechanism to pool or comingle ESA Program funds with MFEER and/or EUC-MF offerings or other energy efficiency, energy procurement or demand response programs to provide increased incentives for those programs for eligible low-income properties?

k) Energy Upgrade California Multifamily Program (EUC-MF)/Middle Income Direct Install Program (MIDI)/Multifamily Energy Efficiency Rebate (MFEER) Coordination for Multifamily Sector: Describe all updated plans and proposals to coordinate among ESA and EUC-MF/MIDI/MFEER or other energy efficiency, energy procurement or demand response programs. Specifically, address the items below:

- (1) Per D.12-08-044’s Multifamily Segment Strategy 4, describe all steps your utility took since 2012 to synchronize the ESA Program’s policies and procedures with those of EUC-MF and MFEER.
- (2) Describe whether these efforts been successful. If not, identify how your utility plans to overcome these barriers in the next cycle.
- (3) Describe how your utility plans to implement a single intake form for any and all programs that have multifamily offerings. Explain whether your

utility plans to allow or request that the more rigorous audit and assessment findings from other IOU programs (i.e., EUC-MF) will fulfill the assessment requirements for the ESA Program.

- (4) Describe how your utility proposes to implement comprehensive customer data sharing efforts between the ESA Program and other IOU Multifamily programs (i.e., EUC-MF and MFEER) to ease integration between programs.

- l) Leveraging and Coordination: Describe all updated plans and proposals for leveraging and coordination with other IOU programs, Government and Local Agencies, and tribes, including the below:

- (1) Department of Community Services  
Development: Discuss the existing leveraging efforts with this agency for the pilots listed below and any other similar efforts and how lessons learned from those efforts will be applied in 2015-2017:
  - (i) Data Sharing Pilot Results
  - (ii) Geographic Coordination Pilot Results
  - (iii) Solar Water Heater Pilot Results
  - (iv) Bulk Purchasing Pilot Results
- (2) CBOs: Discuss how you will coordinate *differently* in this next cycle with CBOs to conduct outreach to overcome potential ESA Program customers' lack of trust in contractors, a significant barrier identified in the LINA study.
- (3) Other utilities: Discuss coordination plans with other water, telephone, energy utilities, or water districts to increase and improve outreach to the CARE and ESA population and improve program delivery.
- (4) Other coordination: Discuss coordination between ESA and other energy efficiency, energy procurement, or demand response programs and



coordination between ESA and local, state, federal, and regional government entities, and California Tribes including associations and service providers for tribes.

- m) Program Rule(s) Modification(s): Describe all updated plans and proposals, if any, for modifications to the existing program rules and attendant justifications, including but not limited to:
- (1) Income self-certification (CARE and ESA)
  - (2) Modified 3MM Rule
  - (3) 10 Year go back rule
  - (4) Second Refrigerator replacements & Proposed incentives (per LINA recommendation)
  - (5) High Efficiency Furnaces (95 AFUE) (Model & Efficiency levels)
  - (6) Exceptions specific to Multifamily<sup>2</sup>
  - (7) Exceptions specific to those with high energy burden, energy insecurity, or medical issues
  - (8) Others
- n) Workforce Education and Training (WE&T): Describe the current status of WE&T data collection and your utility's plan to complete the collection of ESA Program workforce data that is necessary for meaningful analysis and addresses concerns of uniformity, consistency, accuracy, and granularity by filling any current data gap. Describe your utility's proposed plan,

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<sup>2</sup> As discussed in the decision, the IOUs, in their 2015-2017 Applications for ESA and CARE Programs and Budgets, may propose specific exemptions to the rule that housing subsidies should not be counted as income, with factual and legal justifications, demonstrating compelling reasons as to why a particular or specific category(ies) of housing subsidies should be excluded from this rule and instead be counted as income. The compelling reasons must include demonstration that the particular or specific category(ies) of housing subsidies are being received by households that do not meet the 200 percent federal poverty guideline, income requirement for the ESA and CARE Programs.

schedule and budget to develop and implement your WE&T plan.

- o) Best Practices: Incorporating Best Practices and Lessons Learned from 2012-2014 Implementation: Discuss the challenges and obstacles your utility experienced in meeting the 2012-2014 budget cycle goals. Include any changes your utility would propose in the program delivery cycle to further your success in meeting the strategic planning goals. Consider opportunities for partnerships and coordination such as coordination with other energy, water or telephone utilities, local, state, federal, regional, and tribal governments, CBOs, non-profits or trade associations to meet strategic planning goals. Consider use of technologies such as apps, text, internet services, calls, instant messages, community, tribal, and CBO-based outreach, media including non-English language media and social media, and other methods and avenues to achieve program goals.
- p) Customer Service Strategies: Describe all new and proposed Customer Service Improvements and Strategies.
- q) Legislative Changes: Describe your utility's plan and proposals to comply with legislative changes including but not limited to AB 327 and related budget impact projections.
- r) AB 270: Describe your utility's plan and projected costs of complying with the data publication requirements of PU Code 589 as legislated by AB 270.
- s) Single Family Affordable Homes (SASH) Solar Program and Multifamily Affordable Solar Housing (MASH) Program: Describe your utility's plan to prioritize SASH and MASH applicants in compliance with AB 217, and include a discussion of the following:
  - (1) Costs, benefits, and barriers to implementing a synchronized data exchange/lead generation protocol for the SASH, MASH and ESA Programs to ensure that the programs work cooperatively and in an integrated manner.
  - (2) Costs and benefits of referring your utility's CARE customers with electric usage above 400% baseline

to the SASH and MASH programs: Discuss whether such a referral should be triggered after the first time a customer reaches 400% of average use, or rather the second time that threshold is reached in a 12-month period. What are the costs and benefits of making such referrals to tenants of single family households or multifamily households. Also discuss the costs and benefits of outreach to landlords and landlord representatives or associations where tenants use 400% of baseline energy; and

- (3) Any program delivery design benefits from authorizing and training SASH and MASH contractors and outreach workers to do ESA Program assessments and enrollments, keeping in mind that energy efficiency and demand response are first in the loading order.

#### **D. COST EFFECTIVENESS AND ENERGY SAVINGS**

In the Cost Effectiveness and Energy Savings section of the application, the IOUs must include discussions of each of the following subject areas:

##### **1. Summary and Overview:**

Provide a summary and overview of the ESA Program cost effectiveness and energy savings. Include a discussion of plans to prioritize cost-effective measures that also save water and contribute to alleviating the drought emergency. Analysis may also include consideration of all climate-zone specific cost-effective measures that save energy and water and consideration of water saving education to raise awareness of the water energy nexus issues. Include a discussion and analysis with supporting data, if any, of whether any passive efforts such as water education, passive cooling through climate appropriate trees,

drought tolerant landscape education or replacement incentives could be considered cost-effective measures in the ESA Program.

## **2. 2012-2014:**

Specifically discuss the results of the ESA Program efforts, cost effectiveness and energy savings, accomplished during the 2012-2014 program cycle.

## **3. Plans and Proposals:**

Explain how your utility plans to incorporate the results and recommendations into the 2015-2017 program cycle while incorporating the Cost Effectiveness Working Group Final Recommendations we adopt in the Phase II decision in this proceeding and coordinating with the directions in the Commission's Rulemaking proceeding, R.09-11-014. Discuss your utility's plans to address the water-energy nexus.

## **E. MEASURE PORTFOLIO COMPOSITION**

In the IOUs' Measure Portfolio section, IOUs must include the following:

### **1. Overall Portfolio Composition:**

Discuss the mix of measures proposed for the 2015-2017 portfolio, including discussion of the topics below:

#### **a) Cost Effectiveness and Other Criteria for Program Measures:**

- Describe the criteria used to compose the portfolio.
- Describe how the portfolio composition results in improved cost-effectiveness.
- Describe how each measure included in the portfolio achieves the dual objectives of maximizing long-term and enduring energy savings and enhancing the participants' quality of life.

- Discuss the benefit/cost ratio and cost- effectiveness ratio of proposed measures using the proposed CE tests. Explain assumed values and variables and other model components.
- Provide justification for measures included in the portfolio (if any) that do not meet the current criteria of cost effectiveness but serve other important policy objectives. This may include, but is not limited to, consideration of water- energy nexus measures that address the drought or forestall the need to use highly energy intensive water resources such as desalination.
- If your utility is proposing to go back to homes that have received ESA Program treatment since 2002 to provide additional new measures, discuss the tradeoffs of doing so and include the cost implications.

b) New Measures:

- Identify new measures that are being proposed for the 2015-2017 program cycle, with the relevant cost effectiveness ratios or justification for deviations as described above.
- Provide justification for why such measures should be included in your ESA program portfolio.

c) Retired Measures:

- Identify measures from the 2012-2014 portfolio that are being retired or proposed to be retired from the 2015-2017 program cycle.
- Provide a justification for why such measures should no longer be included in your portfolio.

**F. OTHER ESA PROGRAM ELEMENTS AND POLICIES:**

**1. Existing Policies:**

Generally, discuss the existing policies that should be reiterated and will be continued into the 2015-2017 program cycle, any existing policies that

are being proposed to be retired, and any existing policies that are being proposed to be expanded or modified in the next cycle.

## **2. Southern California Edison (SCE) and Audit Findings:**

SCE must provide as a separate attachment to its 2015-2017 budget application filing, its utility's response to the Utility Audit Finance and Compliance Branch (UAFCB's) 2009-2010 Audit Report along with a summary of all corrective measures that were implemented to ensure compliance. SCE must specify where each corrective measure is also properly reflected and/or documented (e.g., monthly and/or annual reports, formal filings, etc.).

## **3. ESA Program Report Posting to the California Energy Efficiency Statistics (EEStats) Site:**

In addition to sending the monthly and annual ESA Program compliance reports to the service lists, the IOUs should begin planning to post ESA Program Monthly and Annual Reports to the California Energy Efficiency Statistics (EEStats) Site. EEStats is an easy to navigate public website that among other functions, acts as a repository for the IOUs' Energy Efficiency reports. The IOUs should begin planning and coordinating with Energy Division to integrate ESA Program data, starting in the 2015-2017 program cycle, into EEStats' EE Data Portal functionality. The EE Data Portal is the official public reporting site for California energy efficiency program tracking data. This site presents standardized quarterly program tracking data submitted by the state's IOUs.

The IOUs, in their respective applications, should describe what coordination and planning have been completed to ensure that they are ready to submit the monthly and annual ESA Program compliance reports to the service lists, as well as posting ESA Program Monthly and Annual Reports to the California EEStats Sites, starting January 2015.

#### **4. San Onofre Nuclear Generating Station (SONGS):**

- a) San Diego Gas & Electric Company (SDG&E) and SCE must describe how your utilities are utilizing the ESA Program to reduce load and energy usage in transmission constrained areas resulting from the decommissioning of the SONGS. Describe efforts to coordinate your ESA program efforts with other energy efficiency, energy procurement, or demand response efforts, and D.14-03-044 which authorized procurement for SCE and SDG&E to meet local capacity needs stemming from the retired SONGS.
- b) SDG&E, SCE and Pacific Gas & Electric Company (PG&E) must describe how residents in other transmission constrained areas in their respective service territories are being prioritized for participation in the ESA Program.

#### **5. Advanced Metering Initiative:**

With over \$5 Billion dollars in ratepayer funds expended on the Advanced Metering Initiative, describe how the smart meter data, including Green Button Data, or Smart Meter functionality, are being utilized by the ESA Program in planning, implementation, and program design. Third party data analytics may be available to do remote, appliance level load disaggregation for potential ESA Program participants. Describe how this data interpretation, or similar analytics, is being planned for use in outreach, assessment, or educating potential ESA Program participants. Describe how Smart Meter functionality including local area networks (LANS) is being used to implement ESA Program. Describe how Smart Meter LANS and other resources could be used to coordinate with water utilities to promote water consumption awareness and leak detection to address the water-energy nexus.

#### **6. Workforce Education and Training: D.12-08-044** established the ESA Program Workforce, Education and Training Working Group (WE&T Working Group). The



WE&T Working Group attempted, but was unable, to collect and report data in several WE&T areas. The ESA WE&T Working Group proposed that the WE&T expert consultants selected in the mainstream energy efficiency proceeding address the ESA Program workforce data collection needs as well as research questions provided in the Working Group's final recommendation filing. However, the expert consultants may not be able to provide the data the WE&T Working Group has recommended. One of the WE&T expert consultants will be developing an action plan that will include recommendations on how the IOUs can begin this data collection effort.

- a) Describe how and when your utility would be able to implement the plan to collect this ESA Program workforce data to ensure that the data is useful for analysis and addresses concerns of uniformity, consistency, accuracy, and granularity?
- b) As part of the consultant's action plan, the consultant may suggest the IOUs acquire off-the-shelf software tools to track workforce data. Describe how your utility would implement such tools to develop and report on the workforce data requirements outlined in D.12-08-044. Assume for purposes of this response that the IOUs would be authorized to pool their funding to procure one reporting system that can be utilized across multiple programs.
- c) The WE&T expert consultant may recommend instituting a wage-floor or prevailing wage for the contractors participating in the ESA Program. Include your utility's estimated budget to facilitate a prevailing wage and the cost-effectiveness implications of instituting such a change. Consider employer savings on turnover costs, increases in productivity, the effect on work quality, and accepting a lower profit margin when determining cost effectiveness. When could a prevailing wage be established in the ESA Program for your utility?



- d) Worker Training Ladder: How will your utility develop a “career pipeline” for workers currently employed in the IOUs’ ESA Program that articulates career pathways and educational opportunities or certificates for workers to access higher wage and higher skill jobs? Possible career pipeline development strategies can include the release of Requests For Proposals to qualified workforce development entities for the creation of a pre-apprenticeship training and certificate program that will provide the ESA Program workers the skills, training and skills needed to provide access to entry-level residential, non-residential EE, and utility employment.
- e) “First Source” Hiring Requirements: A “First Source” requirement requires that contractors provide advanced notice of upcoming job or internship opportunities to the utilities. Moreover, the language requires that the IOUs have existing relationships with experienced workforce training providers, who can match skilled EE workers to the job openings. SDG&E and SoCalGas have begun inserting “Source” and “Job Creation” reporting requirements in their contracts with energy efficiency contractors. Their language can be easily used by other IOUs.<sup>3</sup> How can your utility implement similar “Source” language in the next round of ESA contracting? Strong and specific “First Source” language in all ESA Program contracts between the IOUs and a given contractor can increase access for low-income, disadvantaged workers to enter the ESA jobs pipeline. Furthermore, by

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<sup>3</sup> The referenced language is as follows: “In the event that new job opportunities arise as a result of this SOW, Contractor shall provide advanced notice of job or internship opportunities and the skills required for those positions to COMPANY or COMPANY’s designee. Advanced notice should be provided at least two weeks before the job or internship opportunity is listed publicly. These opportunities may be shared with organizations that provide EE workforce training.”

establishing relationships with experienced and skilled workforce development organizations, the IOUs can create a pipeline of disadvantaged workers with the necessary skills to work in the ESA program.

**7. Database for Energy Efficient Resources (DEER):** How will your utility's ESA Program support (via allocated employee resources, etc.) the planned updates to the DEER database to include ESA Program specific measures, as well as low-income usage profiles for current measure entries? What is your utility's plan to augment or bolster these ongoing DEER updates and will these updates be incorporated into ESA Program planning? If so, how will this incorporation occur?

**8. Evaluation, Measurement & Valuation (EM&V):**

The 2012-2014 budget cycle saw several corresponding ESA and CARE Program studies that, in conjunction with other planned mainstream energy efficiency EM&V efforts, inundated IOUs' EM&V staff and systems with high volume, complex, data demands. As a result, there were delays in processing consultant data requests and transmitting data to study consultants. What is your utility's plan to support these internal EM&V departments, staff and systems to prevent future resource constraints and data delays?

**9. AB 327:**

In light of potential future rate design changes directed under AB 327 and under consideration in R.12-06-013, how will your electric utility address affordability issues through ESA? Discuss whether your utility would be seeking to roll out technological solutions, new outreach plans or partnerships, or other initiatives under ESA to address AB 327, and if so, explain how your utility plans to implement the solution, in detail.

**G. ESA PROGRAM PILOTS:**

Clearly describe a summary of any new pilots being proposed that are consistent with the programmatic initiatives findings and recommendations of the study reports and working group reports. Describe any new proposals for

water-energy nexus pilots. Describe any new proposals for pilots to use the ESA Program to ameliorate carbon emissions, encourage or support carbon offset projects, and address factors that contribute to climate change. Discuss specifically how each pilot contributes to meeting the programmatic initiative, consistent with the findings and recommendations of the study reports and working group reports. All proposals must include proposed budgets and detailed justifications for the proposed pilot and budget.

#### **H. STUDIES AND EVALUTATIONS:**

Clearly describe a summary of any new studies and/or evaluations being proposed. Discuss how each study/evaluation contributes to meeting the programmatic initiative. All proposals must include proposed budgets and detailed justifications for the proposed study/evaluation and budget, as proposed.

#### **I. IMPACT EVALUATION STUDY**

##### **1. 2012-2014 Impact Evaluation:**

Discuss the results of the 2012-2014 Impact Evaluation carried out during the 2012-2014 program cycle. Explain how those results and recommendations will be incorporated into the 2015-2017 program cycle.

##### **2. 2015-2017 Impact Evaluation:**

In addition to other elements that may be added, the 2015-2017 Impact Evaluation will estimate first-year gas and electric energy savings and coincident peak demand reduction attributable to the ESA Program energy savings impact estimates, in aggregate, by IOU service territory, by average participant, by household, by measure and/or measure group, and, where possible and appropriate, by climate zone and housing type.

## **J. LOW INCOME NEEDS ASSESSMENT**

### **1. 2012-2014 Low Income Needs Assessment Study:**

Discuss the results of the recently completed Low Income Needs Assessment Study that was carried out during the 2012-2014 program cycle. Explain how those results and recommendations will be incorporated into the 2015-2017 program cycle.

### **2. AB 327:**

Pursuant to the AB 327 requirement for a triennial needs assessment study, the IOUs must propose specific study areas or subjects for further study in the next LINA.

Present a specific areas or subjects and detailed discussion of why these areas warrant further study and how the additional information works towards accomplishing the ESA Program's programmatic initiatives. At minimum, include the following topics:

- a) Estimates of Remaining Energy Savings Potential.
- b) Updated Assessment of Energy Insecurity and Energy Burden.
- c) Level of burden in providing income documentation for CARE Program participation.
- d) Most beneficial program measures.

### **3. Energy Education Study - Phase 2 Report:**

On November 1, 2013, a joint petition to modify D.12-08-044 (Joint Petition) was filed by the IOUs seeking modification of that decision that would authorize an extension of time for the IOUs to complete the Energy Education Study ordered in that decision, including completing the field study requirements in assessing the benefits of the current energy education offerings until the ESA and CARE 2015-2017 program cycle. Provide a joint proposal for the subsequent phase of the Energy Education Study (Phase 2) for the 2015-2017 program

cycle pursuant to the requested and granted modifications to D.12-08-044.

#### **K. ESA PROGRAM BUDGET**

Present a detailed budget discussion that clearly identifies specific strategies and programs for budget years 2015-2017 and works towards accomplishing the ESA Program's programmatic initiatives.

1. The proposed budget must clearly outline each program category cost and break it into specific components.
2. Include a table on the 2012-2014 actual budget, comparing the costs with the proposed 2015-2017 budget, and indicate the reasons for an increase or decrease in proposed allocations for program categories.
3. Tracking Program Costs - Propose methods for reporting costs and demonstrate consistency across the utilities.
4. Include a discussion on required budget flexibility and potential Fund Shifting.

#### **L. Revenue Requirement and Impacts**

In the ESA Program Revenue Requirement and Impact section of the application, the IOUs must:

1. Discuss the revenue requirements necessary to achieve the program plans and objectives proposed for the three year application period as well as the projected rate impacts that would arise due to the increased revenue requirements.
2. Include a detailed accounting of funds unused from prior budget cycles and how these funds will reduce the revenue requirement.
3. Include a brief discussion of the costs and the benefits of these programs and how they impact the rates and the general well-being of ratepayers of your service area and priorities such as energy reliability, safety, and the water-energy nexus.

4. Include a brief description of the balancing accounts for the ESA Program and CARE Programs. Explain any changes to the balancing accounts.

#### **M. PROGRAM FUNDING AND FUND SHIFTING REQUESTS**

In the ESA Program Funding and Fund Shifting Requests section of the application, the IOUs must request Commission authorization to continue funding for the 2015-2017 program cycle and for any flexibility in managing the funds each program year if the Commission decision is delayed.

### **III. CARE PROGRAM PLAN AND BUDGETS APPLICATION FOR THE 2015-2017 PYs**

#### **A. CARE PROGRAM BACKGROUND**

In the CARE Program Background section of the application, the IOUs must:

1. **History:** Provide a brief history of the CARE Program and how it helps low-income customers, how it is funded and how the program has changed over the years, including any prior guidance given by the Commission.
2. **Summary:** Provide a summary of the CARE Program, including descriptions of (i) the legal framework of CARE Program, and (ii) the eligible population.
3. **Program Eligibility Guidelines:**  
Provide a summary of the program eligibility guidelines, including income, categorical eligibility qualifications, self-certifications, and the process for getting enrolled. Identify any proposed changes from the 2012-2014 framework and implications associated with the recent adoption of AB 327 (Perea 2013).
4. **Current Proposal:**
  - a) Explain your proposal and plans for the CARE Program during the upcoming 2015-2017 budget cycle.

- b) Discuss how the elements and strategies in the proposed 2015-2017 CARE Program are specifically designed to reach the penetration goal of 90%.
- c) Provide an estimate of the number of households projected to be enrolled in the 2015-2017 program years, along with the overall budget requested to meet this goal.
- d) Explain how your current proposal has changed from that in prior years, if any.
- e) Based on your review of all of the study findings and working groups' recommendations and in light of new technologies and opportunities for partnership and collaboration, are there any new strategies or best practices that could be considered for inclusion in this program that could benefit California customers? For example, to promote eligible households to enroll or re-enroll in the CARE Program, consider the use of apps, text, media including social media and non-English language media, partnerships with California and federal LifeLine providers, partnerships with water, telephone or energy utilities, CBOs, non-profits, businesses or trade associations, consultation with tribal governments, and other avenues or means of effectively communicating with eligible customers.

#### **D. CARE PROGRAM GOALS AND BUDGETS FOR THE 2015, 2016 AND 2017 PYs**

In the CARE Program Goals section of the application, the IOUs must provide a description of the 2015-2017 program requests, including:

1. A detailed description of all proposed program activities and program participation goals for each year. Include the number of eligible households.
2. A summary of actual participant data from 2012 and 2013, including CARE participant counts and percentage rates for program enrollment. Also provide estimated participation data for 2014 and



provide a comparison to the benchmarks established by the Commission.

3. A discussion of any significant variations in enrollment from year to year and unique issues, if any, of your service area that presents challenges toward reaching the penetration goals of enrollment established by the Commission.
4. A discussion of how the utility's CARE Program goals for the 2015-2017 CARE Program align with Commission directives of reaching the penetration goal of 90%.
5. A description of your utility's existing program elements and strategies to be continued.
6. A description of any new program elements and strategies to be implemented, including estimates of budgets for these new approaches.
7. A detailed description of any proposed pilots and/or studies to be conducted, including detailed proposed budgets.
8. Your utility's total requested budget of the portfolios for each year, and for the entire budget cycle.
9. Estimates of the total number of households to be enrolled for each year, and for the entire budget cycle.
10. Requests for any exceptions, as necessary.

## **E. PROGRAM DELIVERY**

### **1. Existing Strategies:**

Discuss the mechanics of the program and provide a brief description of the strategies employed during 2012-2014 that will be continued through 2015-2017, including a description of all activities performed by third-parties and other stakeholders.

### **2. Post Enrollment Verification (PEV) Long Term**



### **Probability Model:**

- a) Discuss the results of both the interim and long term CARE probability models implemented during the 2012-2014 program cycle.
- b) Identify the factors used, any identifiable best practices, and explain how the results will be incorporated into the 2015-2017 program cycle.
- c) The IOUs' long-term probability advice letters and supplemental advice letters (SDG&E 2515-E-A/2224-G-A, SoCalGas 4537-G-A, PG&E 3410-G-A/4279-E-A, SCE 2936-E-A), noted that CARE customers who fail to respond to the requests for income verification during the PEV process may not be ineligible for the CARE Program. However, much is not known as to why these CARE customers fail to respond, nor is much known as to the characteristics of this customer segment - precisely because they fail to respond to the utility's requests for further information. Discuss the efforts and strategies your IOU will be implementing in the 2015-2017 budget cycle to learn more about this customer segment and to decrease the number of CARE customers who fail to respond to income verification requests during the PEV process.
- d) These long-term probability advice letters and supplemental advice letters include extensive detail in outlining what specific customer factors may indicate eligibility and ineligibility for the CARE Program. Describe how these factors relate to the findings in the Low Income Needs Assessment. Discuss whether these factors need to be updated to correspond with the Needs Assessment findings. Discuss the process your utility will employ to conduct this update.
- e) The IOUs' long-term probability model advice letters illustrated some variation in the application of these tools, and some best practices are identified as well. Discuss how quickly, and at what cost,

your utility would be able to implement the following PEV procedures:

- (i) Prior to probability model screening, require random selection of 1 % of all CARE customers, annually, for post-enrollment verification?
- (ii) Subject all remaining CARE customers (not including those on CARE Program for 20 days or less, or passing verification in the last 24 months, or users with electric usage above 400% baseline who must undergo PEV separately per D.12-08-044) to your utility's individual probability models.
- (iii) Using all past program data, project/estimate the total number of CARE customers that would be selected (by month, and by percentage of total CARE population) that would be required to undergo the PEV process using the above procedures as well as the projected administrative costs to facilitate implementation.

### **3. Targeting the Rural Population:**

Identify specific underserved rural areas (by ZIP code or county, tribal area, or appropriate area), as discussed in the latest Needs Assessment or as additional analysis to assess rural population needs, and discuss what new strategies your utility will employ to better target and enroll those households. Include a discussion on your utility's strategies will be carried out in each area, if different.

### **4. Targeting the High Poverty Areas (income less than 100% of federal poverty guidelines):**

Identify the very high poverty areas within your service territory that are underserved (by ZIP code or county), and discuss what new strategies your utility will employ to increase CARE penetration in these areas.

**5. Other New and Proposed Strategies:**

Discuss the mechanics of the program and provide a brief description of new strategies that will be employed, including a description of activities performed by third-parties and other stakeholders.

**6. New and Proposed Strategies to Reach the “Hard to Reach”:**

Discuss how your utility will address the needs of hard to reach low-income customers.

**7. Leveraging with California Department of Community Services and Development (CSD):**

Consistent with the directives of D.12-08-044, Ordering Paragraphs 24, 25 and 26, the IOUs’ leveraging proposal(s) for the 2015-2017 program cycle shall incorporate the IOUs’ plans with the California Department of Community Services and Development (CSD) to (a) continue and improve upon the efforts to develop and implement an effective leveraging plan between the ESA Program and CSD; (b) continue and improve upon their current efforts of utilizing dual providers for ESA and CSD in program delivery, where feasible; and (c) continue and improve upon their current efforts toward refining the data sharing activities with CSD’s Low Income Home Energy Assistance Program (LIHEAP)/Weatherization Assistance Program (WAP), etc.

Third-party, off-the-shelf software solutions are available to help streamline the data exchange between Low-Income Home Energy Assistance Program (LIHEAP) utility assistance providers and the IOUs’ customer service representatives who oversee customer billing and accounting. How will your utility seek to improve the application of LIHEAP crisis grants for those CARE customer accounts at risk of disconnection? What customer credit or customer billing system upgrades or enhancements has your utility considered to reduce the delay in applying LIHEAP crisis grants/pledges for CARE customers?

## **F. PROGRAM ADMINISTRATION**

Describe the administration of the program, including outreach, and any change or improvement being implemented by category. Include cost by category (should match the budget table).

## **G. OTHER CARE PROGRAM ELEMENTS PROGRAM DELIVERY**

Discuss the existing policies that should be reiterated and should be continued into the 2015-2017 cycle, any existing policies that are being proposed to be retired, and any existing policies that are being proposed to be expanded or modified in the next cycle.

## **H. COORDINATION BETWEEN CARE AND LIFELINE PROGRAM**

D.14-01-036 allows low-income customers to receive subsidized wireless service through the California Lifeline Program. In what ways can this new opportunity be leveraged to market the CARE Program and improve outreach to enroll eligible households, and enhance existing PEV and re-certification processes during the upcoming 2015-2017 program cycle and beyond? Be specific in your response to the above and include opportunities for data sharing to support inter-program coordination. In particular, address how smart phones can be used to facilitate customer education/outreach, and income verification.

## **I. COOLING CENTERS**

D.12-08-044 reinstated cooling center restrictions previously ordered in D.05-04-052 and authorized lower cooling center budgets for SCE, SDG&E and PG&E. The annual cooling center reports submitted on behalf of these utilities summarize recent cooling center activities and reflect overall budget surpluses for all three participating IOUs. SCE, SDG&E and PG&E are directed to discuss reasonable alternatives and/or enhancements to existing cooling center program

models including specific justification for relief from each restriction currently in place. Describe existing and planned leveraging efforts with local government agencies to ensure compliance with General Order 166 (re: Standards for Operation, Reliability and Safety during Emergencies and Disasters) and propose cooling center budgets for the 2015-2017 program cycle accordingly.

**J. OUTREACH REPORT**

1. Describe the current and suggested Outreach methods to improve enrollment, and include the estimated costs;
2. Discuss how Outreach efforts will result in meeting program participation goals, including any specific population sectors or segments; and
3. As appropriate, for each of the years from 2012 to 2013 provide a comparison of the budgeted, recorded or estimated average Outreach cost per household.

**K. PILOTS**

1. Include a detailed description of any new pilots being proposed, if any;
2. Discuss how each pilot contributes specifically to meeting the programmatic initiative; and
3. Provide a detailed budget for any proposed pilot.

**L. STUDIES**

1. Include a summary of any studies being proposed.
2. Discuss how each study contributes to meeting the programmatic initiative; and
3. Provide a detail budget for any proposed study.

**M. CARE PROGRAM BUDGET**

**1. Strategies:**

Present a detailed budget discussion that clearly identifies specific strategies and programs for the 2015-2017 budget years.

**2. 2012-2014 Actual Expenditures:**

Provide a detailed summary of your utility's actual expenditures, along with approved budgets, from 2012 and 2013 by line item, consistent with Accounting and Reporting Requirements previously distributed. Costs should be shown on an annual basis. The 2014 approved budget should also be included.

**3. 2012-2013 Actual Average Cost Per Household:**

Provide an actual or estimated average cost per enrolled household (from 2012-2013) for all major categories of expenses such as processing, certification, verification, outreach, and general administration.

**4. Tracking Program Costs:**

Propose all methods for reporting costs and demonstrate how the proposed methods are consistent across the utilities.

**N. REVENUE REQUIREMENTS AND RATE IMPACTS**

Discuss the revenue requirements necessary to achieve the program plans and objectives proposed for the three year application period as well as the projected rate impacts that would arise due to the increased revenue requirements.

**O. AB 327 MARKETING, EDUCATION AND OUTREACH:**

What is your utility's plan for communicating/ messaging to the customers of the potential CARE rate changes per AB 327? What are the projected costs of this expanded marketing and outreach effort? Will this marketing be a statewide effort, regional, and/or local effort? And if so, how will it integrate with the California Center for Sustainable Energy (CCSE) Statewide Marketing effort?

**P. GENERAL REPORT**

1. Discuss all program accomplishments and challenges; and

2. Describe any customer complaints or concerns.

#### **IV. CONCLUSION**

Summarize your utility's requests seeking the Commission's approval as part of the CARE and ESA Programs and budgets for the 2015, 2016, and 2017 PYs.

Provide your utility's potential bridge funding estimates for your utility's ESA and CARE Programs, in the event that a decision on the applications for the 2015-2017 ESA and CARE Programs is not adopted before January 1, 2015.

#### **V. EXCEL ATTACHMENTS**

**The IOUs must use the attached excel templates to be filed with their 2015-2017 application and testimony.**

##### **A. ESA Program**

1. ESA Program Proposed Electric & Gas Budget
- 1a. ESA Program Proposed Electric Budget
- 1b. ESA Program Proposed Gas Budget
2. ESA Program Planning Assumptions
3. ESA Program Penetration
4. ESA Program Detail By Housing Type
5. Summary of ESA Program Cost Effectiveness
6. ESA Program Cost Effectiveness - Weather Sensitive Measures
7. ESA Program Cost Effectiveness - Non Weather Sensitive Measures
8. ESA Program Pilots and Studies Proposal
9. ESA Program Summary of Proposed Changes

##### **B. CARE**

1. CARE Proposed Program Budget
2. CARE and ESAP Rate Impacts - Gas

3. CARE and ESAP Rate Impacts - Electric
4. CARE Outreach and Penetration Information
5. CARE Estimated Participation
6. CARE Low Income Customer Usage Levels
7. CARE Pilots and Studies
8. CARE Program Summary of Proposed Changes

**C. STUDIES AND PILOTS PROPOSAL TEMPLATE D.**

**D. UTILITY TESTIMONY**